



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAY 15 2008

REPLY TO THE ATTENTION OF:

AE-17J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Edward N. Loeb, Registered Agent
Loeb Oil Company
Rt. 1 Country Club Road
Lawrenceville, Illinois 62439

Dear Mr. Loeb:

Enclosed is U. S. Environmental Protection Agency Administrative Order EPA-05-08-113(a)-IL-01. This order requires that, within 15 days of the effective date of this Order, Loeb Oil Company shall comply with the November 30, 2007 Section 114 Request.

On November 30, 2007, the Director of the Air and Radiation Division, EPA, Region 5, issued a Section 114 Request to Loeb Oil Company. Loeb Oil Company violated the Section 114 Request by failing to provide certain records and information regarding Loeb Oil Company's oil production operations within 15 days after Loeb Oil Company received the November 30, 2007 Section 114 Request.

Please direct any questions regarding this case to Mary McAuliffe, Associate Regional Counsel, (312) 886-6237.

Sincerely yours,

A handwritten signature in cursive script that reads "Brent Marable for".

Brent Marable, Chief
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

cc: Ray Pilapil, Manager
Bureau of Air, Compliance and Enforcement Section
Illinois Environmental Protection Agency

5. Loeb Oil Company owns and/or operates oil wells, injection wells, gathering facilities, water treatment plants, and associated pipelines, facilities, operations and equipment that emit air pollutants, including hydrogen sulfide. Loeb Oil Company owns or operates an "emission source" within the meaning of Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1).

6. On November 30, 2007, the Director of the Air and Radiation Division, EPA, Region 5, issued a Section 114 Request to Loeb Oil Company. Exhibit 1 of this Order is a copy of the Section 114 Request.
7. The Section 114 Request required Loeb Oil Company to provide certain records and information regarding Loeb Oil Company's oil production operations from January 2002 to the present within 15 days after Loeb Oil Company received the November 30, 2007 Section 114 Request.
8. Loeb Oil Company received the Section 114 Request on December 3, 2007.
9. On April 3, 2008, EPA, Region 5, sent a letter and a copy of the November 30, 2007 Section 114 Request advising Loeb Oil Company that it had failed to respond to the original November 30, 2007 Section 114 Request. Exhibit 2 of this Order is a copy of the April 3, 2008 letter.
10. Loeb Oil Company violated the Section 114 Request by failing to provide certain records and information regarding Loeb Oil Company's oil production operations from January 2002 to the present within 15 days after Loeb Oil Company received the November 30, 2007 Section 114 Request by December 18, 2007.

Compliance Program

11. Loeb Oil Company must comply with all requirements of the Section 114 Request. Specifically, Loeb Oil Company must provide the following records and information regarding Loeb Oil Company's oil production operations:
 - a. Provide a brief description of Loeb Oil Company's oil production operations.
 - b. Provide all annual oil production and storage capacity information from January 2002 to the present.
 - c. Identify all oil well acquisitions from January 2002 to the present.
 - d. Provide all drawings and maps displaying Loeb Oil Company's properties and the location of all wells, pipelines, tanks, pits, processing plants and all other equipment and buildings owned or operated by Loeb Oil Company.
 - e. In tabular form, provide a list of all wells owned or operated by Loeb Oil Company in Lawrence County, Illinois, and provide the following information for each well:
 - i. date of construction;
 - ii. physical location including either Universal Transverse Mercator (UTM) grid or latitude and longitude coordinates, or other specific location

- information as identified in Loeb Oil Company's records;
 - iii. status (active, abandoned, etc.);
 - iv. production rate; and
 - v. a description of any associated air emission control devices.
- f. In tabular form, provide a list of all tanks owned or operated by Loeb Oil Company in Lawrence County, Illinois, and provide the following information for each tank:
 - i. date of construction;
 - ii. physical location including either UTM, latitude and longitude coordinates, or other specific location information as identified in Loeb Oil Company's records;
 - iii. purpose (receiver, stock, sales, etc.);
 - iv. total capacity, expressed as barrels;
 - v. daily throughput volume, expressed as both barrels of oil per day and barrels of brine per day; and
 - vi. a description of any associated air emission control devices.
- g. Provide a detailed description of Loeb Oil Company's brine water handling procedures, including but not limited to, the volume of brine water extracted, how brine is stored, if brine is re-injected, and how brine is disposed. Also include a description of any associated air emission control devices.
- h. Provide a detailed description of Loeb Oil Company's purchase truck off-load procedures, including but not limited to, frequency of truck off-loading and volume of crude product that is off-loaded. Also include a description of any associated air emission control devices.
- i. Provide all air permitting documents, air permit applications and correspondence relating to air permitting submitted to any state or federal agencies.
- j. Provide all calculations of hydrogen sulfide emissions for all emission sources, including but not limited to, wells, tanks, and pits, from January 2002 to the present. Include any assumptions used in these calculations.
- k. Provide records of any citizen complaints received by Loeb Oil Company from January 2002 to the present.
- l. Identify any actions undertaken by Loeb Oil Company to investigate, repair, or control sources of hydrogen sulfide or sour gas emissions.

12. Loeb Oil Company must send all reports and information required by this Order to:

Attn: Compliance Tracker, AE-17J
Air Enforcement and Compliance Assurance Branch
U.S. EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

General Provisions

13. This Order does not affect Loeb Oil Company's responsibility to comply with other local, state, and federal laws and regulations.

14. This Order does not restrict EPA's authority to enforce Section 114 of the Act, or any other section of the Act.

15. Nothing in this Order limits EPA's authority to seek appropriate relief, including penalties under Section 113 of the Act, 42 U.S.C. § 7413, for Loeb Oil Company's violations of the Section 114 Request.

16. Failure to comply with this Order may subject Loeb Oil Company to penalties of up to \$32,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413, and 69 Fed. Reg. 7121 (Feb. 13, 2004) (amending 40 C.F.R. Part 19).

17. The terms of this Order are binding on Loeb Oil Company, its assignees and successors. Loeb Oil Company must give notice of this Order to any successors in interest, prior to transferring ownership, and must simultaneously verify to EPA, at the above address, that Loeb Oil Company has given the notice.

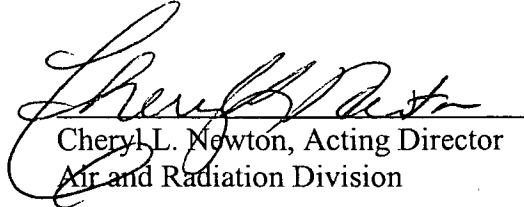
18. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 et seq., because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation. To aid in our electronic record keeping efforts, please provide your response to this Order without staples. Paper clips, binder clips, and 3-ring binders are acceptable.

19. EPA may use any information submitted under this Order in an administrative, civil, or criminal action.

20. Section 113(a)(4) of the Act, 42 U.S.C. § 7413(a)(4), states that an Order shall not take effect until the person to whom it is issued has had an opportunity to confer with EPA about the alleged violation. Therefore, EPA is giving Loeb Oil Company an opportunity to confer with EPA concerning this Order. Loeb Oil Company may schedule a conference with EPA by calling Kathryn Siegel at (312) 313-1377 within ten days of Loeb Oil Company's receipt of this Order.

21. This Order is effective on the fifteenth day after Loeb Oil Company receives this Order.

5/15/08
Date


Cheryl L. Newton, Acting Director
Air and Radiation Division

Enclosures

CERTIFICATE OF MAILING

I, Betty K. Williams, certify that I sent the Administrative Order, EPA Order No. EPA-5-08-113(a)-IL-01, by Certified Mail, Return Receipt Requested, to:

Edward N. Loeb, Registered Agent
Loeb Oil Company
Rt. 1 Country Club Road
Lawrenceville, Illinois 62439


I also certify that I sent a copy of the Administrative Order, EPA Order No. EPA-5-08-113(a)-IL-01, by First Class Mail, to:

Herman L. Loeb, President
Loeb Oil Company
1307 9th Street
Lawrenceville, Illinois 62439

and to:

Ray Pilapil, Manager
Compliance and Enforcement Section
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62794

on the 16th day of May 2008.


Betty Williams, Secretary
AECAS(IL/IN)

Certified Mail Receipt Number: 70010320000601872807